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Howard County Executive



OVERVIEW OF THE HOUSING OPPORTUNITIES MASTER PLAN

A Strategy for Improving the Availability, Affordability, and Accessibility of Housing in Howard County



JUNE 2021

INTRODUCTION

IMPORTANCE OF THE HOUSING OPPORTUNITIES MASTER PLAN

A house is more than just a place for someone to wake up in the morning and go to sleep at night. A house provides a feeling of personal stability, and it can offer a sense of financial security. It can serve as a space for a family to grow, as well as one in which to spend time with friends and neighbors.

Given this importance, housing affordability and instability are critical challenges for American communities to address. According to Harvard University, 37.1 million households—equivalent to 30% of all households in the United States—spent more than 30% of their incomes on housing in 2019, up 5.6 million from 2001.¹ Of these households, 17.6 million spent more than half of their incomes on housing, leaving minimal room to pay for food, transportation, medical care, and other necessities.

Howard County residents need a greater number and diversity of housing options that are affordable to them. According to our first public survey, affordability is the number one item that households in the community must consider when making housing decisions. Furthermore, a majority of respondents stated they do not believe there are enough reasonably priced housing options available in the County.

It is critical that Howard County act now in order to prevent these challenges from becoming more severe. The rapid growth of the Washington-Baltimore region, generally, and Howard County, specifically, is placing significant pressure on the housing market. If left unchecked, these forces are likely to continue to drive up housing prices, resulting in even fewer housing options for an even greater number of people.

No single action can entirely erase housing affordability as a challenge in Howard County. The purpose of the Housing Opportunities Master Plan is therefore to provide a comprehensive framework through which the County can continue to support its residents. This plan is distinct from HoCo By Design, the General Plan update that will outline a 20-year vision for growth in Howard County.

Critically, this plan is necessary:

- ▶ **To address needs** of existing and future residents, ranging from older adults who wish to age in place to children who wish to move back to the neighborhoods in which they were raised;
- ▶ **To strengthen the community** by fostering its racial and socioeconomic diversity, which has historically distinguished Howard County from other jurisdictions in the region and across the country;
- ▶ **To coordinate policy** across the County, and to guide these efforts with extensive research of local market dynamics and policy best practices;
- ▶ **To support the local economy** of Howard County by ensuring it continues to be a desirable location for people to live, work, and play;
- ▶ **To increase transparency** for residents, employees, real estate agents, property developers, and other groups that operate in the community; and
- ▶ **To mobilize resources** that are necessary to accomplish each of the above.

Progress may take time but must start today. The Housing Opportunities Master Plan outlines a number of recommendations, each of which varies in terms of scale and impact. Despite these differences, the collective purpose of the recommendations, however, is the same: To increase housing opportunities for people of all ages, income levels, races, and backgrounds. These opportunities, in turn, will help create a more equitable Howard County—one in which anyone can continue to call home.

TASK FORCE AND EX-OFFICIO MEMBERS

APPOINTED BY COUNTY EXECUTIVE BALL IN OCTOBER 2019

Task Force

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Larry Twele, Howard Co. Economic Development Authority
Peter Engel, Howard County Housing Commission



Consultant Team

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Neighborhood Fundamentals, LLC



KEY FINDINGS

FROM 12 MONTHS OF RESEARCH AND DATA ANALYSIS IN REGION AND NATIONALLY:

GROWTH & DEMOGRAPHICS

- ▶ The region is growing as new jobs are created, and these jobs are bringing more workers to the area than the amount of new housing that is being built.
- ▶ Howard County is more affluent than its neighbors, and it has more families and middle-aged households. This dynamic is partially created by its housing supply, coupled with the other factors that make the County a desirable place to live, and then reinforced by limited new supply additions.
- ▶ Far fewer people who are employed in Howard County also live there, compared to nearly every other jurisdiction in the Washington-Baltimore region, and there is little variance by income. Howard County has less housing than it needs across all household types and income bands, and it is not building enough to keep up with job growth.

HOUSING SUPPLY & DEMAND

- ▶ Howard County is underbuilding new housing given the size of its workforce. The County has a lower ratio of housing units to jobs than other nearby jurisdictions, and it requires more than 20,000 additional housing units to catch up to these areas.
- ▶ Most new housing being built by the market is affordable to households making more than 80% of AMI (rental) and more than 120% of AMI (for-sale).
- ▶ Just 9% of housing in Howard County is affordable to households making less than 60% AMI, and virtually no for-sale homes that have been built in the last two decades are affordable to this group.
- ▶ For all of these reasons, Howard County has less than its fair share of low- and moderate-income households than other nearby counties.

HOUSING AFFORDABILITY

- ▶ The vast majority of low-income renters are spending more than 30% of their incomes on housing. In Howard County, three-quarters of such “cost-burdened” renters make less than 60% of AMI.
- ▶ Meanwhile, a lack of for-sale housing is contributing to cost burdens at all income levels. In Howard County, the number of owners that spend 30% or more of their incomes on housing is equally split between households making less than 80% of AMI and households making more than 80% of AMI.
- ▶ Cost burdens are disproportionately felt by diverse populations, both for rental and for-sale housing.
- ▶ Today, underserved groups in Howard County include market-rate families, workforce families, seniors, low-income renters, and professionals and other renters-by-choice. In almost all cases, these households require a greater amount and diversity of housing than what exists today.

NINE PRIMARY CHALLENGES FACING HOUSING IN HOWARD COUNTY

RESULT OF PUBLIC ENGAGEMENT THROUGH 16 TASK FORCE AND WORKGROUP MEETINGS, 3 EJ OUTREACH DISCUSSIONS, 2 SETS OF COMMUNITY MEETINGS AND 2 PUBLIC SURVEYS FROM FEBRUARY 2020 TO MARCH 2021:

LAND USE, PLANNING, AND ZONING

- 1 **Housing supply has not kept up with housing demand**. This imbalance between supply and demand is leading to affordability issues.
- 2 **A lack of housing diversity throughout the County inhibits racial and socioeconomic integration**. Historically disadvantaged populations, lower-income households, and households experiencing poverty find that most of the housing options affordable to them are concentrated in only a few locations.
- 3 **New development today is less diverse than the housing inventory overall**. In recent years, new development has shifted in favor of rental apartments, and—at the same time—the for-sale market has largely stopped building smaller, attainably priced for-sale housing.

POLICIES AND PROGRAMS

- 4 **Howard County lacks a cohesive strategy** for prioritization, policy/program design, and resource allocation.
- 5 **Existing resources are not sufficient to meet current and future capacity and demands** (e.g., schools, transportation, etc.) while also dedicating funds to housing goals.
- 6 **It continues to be difficult to supply housing for diverse populations**, with significant needs going forward.
- 7 **The COVID-19 pandemic and associated economic disruption** is exposing and exacerbating housing insecurity.
- 8 **A large portion of housing that is available to low- and moderate-income households in Howard County is older** and at risk of deterioration and/or redevelopment.

HOUSING AND INFRASTRUCTURE

- 9 **The APFO is placing significant limitations on the amount of housing that can be built**, and it is potentially accelerating those capacity issues by limiting the ability to increase the tax base.

OVERVIEW OF RECOMMENDATIONS

STRATEGIES TO IMPROVE HOUSING OPPORTUNITIES

The Housing Opportunities Master Plan identifies three strategies Howard County can employ to improve housing opportunities for its existing and future residents. These strategies include:

- ▶ Revising [land use, planning, and zoning](#) regulations to improve the availability, accessibility, affordability, and diversity of housing;
- ▶ Supporting housing stability through the improvement of existing [policies and programs](#) and the creation of new ones; and
- ▶ Addressing both [housing and infrastructure](#) needs in Howard County to ensure that neither form of demand eclipses the other.

There are many different ways for Howard County to accomplish these strategies. The Housing Opportunities Master Plan therefore categorizes its recommendations into 14 different groups across the three strategies, as shown below. For example, one way that Howard County can revise its land use, planning, and zoning regulations to improve the availability, accessibility, and affordability of housing is to promote efficient processes for approving development, which it can do by taking such actions as providing expedited or by-right approval for home modifications that facilitate independent living. This action—providing expedited or by-right approval for such modifications—is just one of 80 recommendations in the Housing Opportunities Master Plan, the purpose of which is to develop a comprehensive framework for improving housing opportunities in all parts and for all residents of Howard County.

Land Use, Planning, and Zoning

Revise land use, planning, and zoning regulations to improve the availability, accessibility, affordability, and diversity of housing

- ▶ Use land use policy and provide incentives to produce income-restricted housing units
- ▶ Enable more equitable growth throughout the County through changes to zoning regulations and land use plans
- ▶ Facilitate the development of lower-cost housing typologies
- ▶ Remove zoning barriers to mixed-use neighborhoods and developments
- ▶ Promote efficient processes for approving development

Programs and Policies

Support housing stability through the improvement of existing policies and programs and the creation of new ones

- ▶ Improve housing sector coordination and boost capacity
- ▶ Raise and deploy capital for affordable housing production and preservation
- ▶ Create a robust multifamily preservation strategy
- ▶ Improve housing conditions and promote and expand programs that support households with home repair and modification needs
- ▶ Expand opportunities for homeownership
- ▶ Support low-income households, vulnerable populations, and households with specialized needs

Housing and Infrastructure

Address both housing and infrastructure needs in Howard County to ensure that neither form of demand eclipses the other

- ▶ Identify creative mechanisms to fund both housing and school facility investment and to attain full development of annual allotted new housing units
- ▶ Evaluate targeted changes to the APFO to support the growth required to improve housing affordability and opportunities when the APFO Review Committee convenes following the General Plan
- ▶ Creatively utilize land assets in the County

KEY IMPLEMENTATION ITEMS

FOR HOWARD COUNTY OVER THE COMING YEARS

Each of the 80 recommendations in the Housing Opportunities Master Plan varies in terms of its scale and impact. Many of these recommendations aim to assist specific groups, or to resolve unique challenges. However, five of the recommendations are especially central to the overall success of the plan, and to its ability to improve housing opportunities more broadly in Howard County. In order to meet these recommendations, key implementation items for Howard County include the following:

Create an Inter-Agency Housing Opportunities Task Force

A range of County departments, nonprofit organizations, and private companies are already committed to addressing housing needs in Howard County. However, a cohesive strategy is necessary to coordinate these efforts. As such, the Housing Opportunities Master Plan recommends the creation of an Inter-Agency Housing Opportunities Task Force, which should be responsible for setting this strategy and overseeing its implementation. Members should include representatives from various County departments, with a formal role for affiliated entities involved in implementing housing and community development activities.

Establish an Affordable Housing Trust Fund

At this time, existing resources are insufficient to meet the need for income-restricted housing in Howard County, and available funding is unpredictable from year to year. For this reason, the Housing Opportunities Master Plan recommends the creation of an Affordable Housing Trust Fund, which should consist of both existing and new revenue sources that can collectively serve as a formal, coordinated, and predictable structure for allocating housing funding. The primary purpose of the Affordable Housing Trust Fund should be to expand the number of income-restricted rental and homeownership units, which are in short supply in the County today.

Update MIHU rules and fee structures, and include incentives to encourage additional, more affordable, or more accessible production

Today, most income-restricted housing production in Howard County is accomplished by its Moderate Income Housing Unit (“MIHU”) policy, which requires developers of new market-rate housing to reserve a portion of units for moderate-income households at reduced rents or purchase prices. The Housing Opportunities Master Plan recommends a number of improvements to this program, such as additional flexibility to accommodate on-site provision and incentives to encourage the production of more than the required number of units, greater shares of accessible and visitable units, and/or deeper levels of income targeting.

Allow a broader range of housing types to proceed “by-right,” or without the need for additional approvals

New development today is less diverse than the housing inventory overall, in part because restrictions on housing typologies have resulted in a bifurcation of the housing market, wherein smaller rental apartments and larger for-sale homes now account for the bulk of new product. Land use policy can limit the ability of additional supply to improve housing opportunities and affordability, but it can also be used to encourage the opposite. With this idea in mind, the Housing Opportunities Master Plan recommends Howard County allow a broader range of housing types, such as cottage clusters, townhomes, and other “missing middle” typologies, to proceed by-right, in order to facilitate their production.

Create a homeowner resource navigator and website with resources for existing and future residents of the County

Howard County offers a range of programs, subsidies, tax abatements and deferrals, and home retrofit supports that improve the quality and stability of housing for homeowners. However, the identification of available resources and the management of the process can be difficult for persons in need of support. Improvements to such resources can help ensure ongoing housing stability for lower-income homeowners, improve independent living opportunities for older adults and persons with disabilities, and strengthen the quality of housing in Howard County more broadly.

ADDITIONAL RECOMMENDATIONS

FOR RESIDENTS OF HOWARD COUNTY

In addition to the key implementation items for Howard County to pursue, the Housing Opportunities Master Plan also includes a number of recommendations that will assist existing members of the community. Examples of recommendations that will provide direct benefits to existing residents of the County include the following:

NEW & EXISTING HOMEOWNERS

- ▶ Increase homeownership opportunities through the promotion of such programs as the Settlement Down Payment Loan Program
- ▶ Create a homeowner resource navigator and website to consolidate important information on housing improvements and financing options, as well as County codes, regulations, and inspections
- ▶ Provide technical assistance to help homeowners identify needs and access resources before more significant and costly repairs are necessary
- ▶ Create a vetted contractor and vendor list for community usage
- ▶ Assist households in navigating the rehab and retrofit processes
- ▶ Increase the ability of homeowners to add accessory dwelling units to their properties
- ▶ Create more homeownership opportunities through enhancements to the MIHU program

OLDER ADULTS

- ▶ Provide technical assistance and financial support for home modifications and reasonable accommodations that promote accessibility, visitability, universal design, and/or one-floor living
- ▶ Offer expedited or by-right approval for modifications that enable independent living
- ▶ Increase opportunities for homeowners to add accessory dwelling units, such as in-law suites, to their properties if they desire
- ▶ Identify areas where tactical investments can create “15 minute neighborhoods,” in which many everyday needs can be reached within a short walk or bike ride
- ▶ Identify changes that can be made to zoning, land use, and building regulations to advance independent living opportunities
- ▶ Allow certain forms of “missing middle” housing to proceed by-right, to increase housing opportunities for older adults who wish to downsize from their current homes

LOW-INCOME RENTERS

- ▶ Negotiate and encourage rental assistance contracts with private landlords
- ▶ Expand resources for legal assistance and conduct proactive outreach to tenants
- ▶ Provide support to renters who live in properties in need of capital investment or at risk of disinvestment, including relocation assistance if needed
- ▶ Create a local rental assistance pilot program for the highest need households as they wait to receive other, more permanent forms of household-based subsidies
- ▶ When the redevelopment of existing affordable properties is necessary, provide incentives to developers and property owners to create replacement units, so that households can return to the neighborhoods in which they previously lived
- ▶ Provide tenant relocation support, mobility assistance and counseling, and rental assistance to expand housing options throughout the County, especially to tenants disrupted by redevelopment processes

PERSONS WITH DISABILITIES

- ▶ Offer expedited or by-right approval for modifications that enable independent living, such as improvements to accessibility or visitability
- ▶ Support enhanced participation in and utilization of MDHousingSearch.com, with the goal of matching households with accessible units that meet their needs
- ▶ Evaluate requirements related to universal design, accessibility, and visitability to ensure that they conform with best practices, and that the percentage of units that are required in new developments is appropriate
- ▶ Incentivize developers to provide a higher proportion of accessible and visitable income-restricted housing units at their projects
- ▶ Negotiate with landlords to reduce penalties for tenants who terminate leases in order to gain access to newly available accessible units
- ▶ Conduct a neighborhood accessibility and mobility assessment

ROLE OF THE HOUSING OPPORTUNITIES MASTER PLAN

TODAY AND MOVING FORWARD

The purpose of the Housing Opportunities Master Plan is to provide a comprehensive framework through which Howard County can continue to advance housing opportunities in the community.

Just as the threats to these opportunities are manifold, so too are the strategies that Howard County can use to improve them. For this reason, the Housing Opportunities Master Plan includes 80 recommendations, each of which varies in terms of its scale, impact, and target audience, among many other characteristics. In spite of these differences, each recommendation in the Housing Opportunities Master Plan is important in its own right.

Howard County is an economically and demographically diverse community, in which different residents have different needs. Moreover, the meaning of housing affordability varies from one person to the next, and there is no one-size-fits-all approach to make certain that everyone—regardless of age, income, educational attainment, gender, race, or any other background—is able to take part in this community. A wide-ranging strategy is therefore necessary to ensure housing attainability, accessibility, and affordability for all such individuals.

From the grocery store clerk in Columbia to the recent empty nesters in the Rural West, the Housing Opportunities Master Plan is intended to provide a framework through which Howard County can promote housing opportunities for all of its residents.

To view the full Housing Opportunities Master Plan, please visit: www.howardcountymd.gov/DHCD-HOMP-Taskforce



Image Source: Howard County Government

THANK YOU!

FOR MORE INFORMATION, CONTACT

HOWARD COUNTY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

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